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# FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

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### COMMISSION ADDRESSES TRANSMISSION MARGINS PROBLEM

Underscoring the importance of non-discriminatory open access transmission service, the Federal Energy Regulatory Commission today took steps to ensure more accurate, transparent and widely available information on available transmission capability (ATC) by providing greater access to electric utilities' capacity benefit margin (CBM) calculations.

CBM is the amount of inter-utility transmission transfer capability held in reserve to help ensure that there is a reliable source of power even if problems arise. However, variations in calculating CBM affect available transmission capability, open access transmission, and ultimately the ability of generators to compete.

As a result of a FERC-sponsored conference in May, followed by written comments, the Commission said it needed to develop short-term measures to deal with concerns raised by CBM.

Today's order seeks to clarify how CBM is calculated and make information on it more widely and openly available. The order directs utilities to:

- Post their CBM for various transmission paths on OASIS--the Open Access Same-time Information System--an electronic bulletin board.
- Explain their practices and methodology for determining CBM.
- Periodically review and update their CBM figures.
- Post procedures for allowing CBM to be used during emergencies on OASIS, including defining what constitutes an emergency and who can use CBM during an emergency.
- Allow CBM to be used on a nonfirm, interruptible basis during non-emergency periods.

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To address concerns in the long term, the Commission directed the North American Electric Reliability Council (NERC) to work with transmission providers to develop a standard methodology for calculating CBM by the end of this year.